

32ND ALASKA STATE LEGISLATURE
FIRST SESSION
SPECIAL SESSION
CONFERENCE COMMITTEE ON HB 69 and HB 70
May 26, 2021
4:03 p.m.

4:03:19 PM

CALL TO ORDER

Chair Foster called the Conference Committee meeting on HB 69 and HB 70 to order at 4:03 p.m.

MEMBERS PRESENT:

House:

Representative Neal Foster, Chair
Representative Kelly Merrick
Representative Bart LeBon

Senate:

Senator Bert Stedman, Vice-Chair
Senator Click Bishop
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT:

Alexei Painter, Director, Legislative Finance Division

SUMMARY

HB 69 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 69 was HEARD and HELD in committee for further consideration.

HB 71 APPROP: MENTAL HEALTH BUDGET

HB 71 was HEARD and HELD in committee for further consideration.

Chair Foster reviewed the agenda for the meeting.

#hb69

#hb71

CS FOR HOUSE BILL NO. 69(FIN) am(brf sup maj fld)(efd fld)

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; and making capital appropriations, supplemental appropriations, and reappropriations."

SCS CSHB 69(FIN) AM S

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making capital appropriations, supplemental appropriations, and reappropriations; and providing for an effective date."

and

CS FOR HOUSE BILL NO. 71(FIN) am

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making supplemental appropriations; and providing for an effective date."

SENATE CS FOR CS FOR HOUSE BILL NO. 71(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making capital appropriations and supplemental appropriations; and providing for an effective date."

[4:03:55 PM](#)

Chair Foster indicated the House and Senate had granted Limited Powers of Free Conference. He invited Alexei Painter, Director of the Legislative Finance Division to join the members at the table. He detailed how objections would be handled. If there was an objection, the committee would make note of the item and set it aside. The committee would continue to go through the other items in the

department, adopt them, and then come back to any item that had an objection.

Chair Foster continued that the House passed its version of the budget before the guidelines were received from the Treasury Department regarding the American Rescue Plan Act (ARPA). The Senate made conforming changes to be consistent with the ARPA guidelines, and therefore the committee would be accepting many of the Senate changes.

Chair Foster informed that the committee would be addressing open items in HB 69 and HB 71 based on the motion sheets distributed to members and dated May 26, 2021 on the Departments of:

FY 21 SUPPLEMENTAL OPERATING:

- Department of Corrections
- Department of Education and Early Development
- Department of Environmental Conservation
- Office of the Governor
- Department of Health and Social Services
- Department of Natural Resources
- Department of Public Safety
- Judiciary
- Legislature
- Special Appropriations
- Fund Transfers

^FY 21 SUPPLEMENTAL OPERATING: DEPARTMENT OF CORRECTIONS

[4:05:39 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Corrections' budget:

Item 1-7 Senate - All items
Item 8-12 Senate - All items

There being NO OBJECTION, items 1 through 12 in the Department of Corrections FY 21 supplemental budget were ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

[4:06:39 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Education and Early Development's budget:

Item 1	Senate
Item 2	Open

There being NO OBJECTION, items 1 and 2 in the Department of Education and Early Development FY 21 supplemental budget were ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

[4:07:08 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Environmental Conservation's budget:

Item 1	Senate - Both items
Item 2	Open
Item 3	Senate

There being NO OBJECTION, items 1 through 3 in the Department of Environmental Conservation FY 21 supplemental budget were ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: OFFICE OF THE GOVERNOR

[4:07:46 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Office of the Governor's budget:

Item 1	Senate
Item 2	Senate

There being NO OBJECTION, items 1 and 2 in the Office of the Governor FY 21 supplemental budget were ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: DEPARTMENT OF HEALTH AND SOCIAL SERVICES

[4:08:08 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Health and Social Services' budget:

Item 1-7 Senate - All items
Item 8-11 Senate - All items
Item 12 Open
Item 13 Open

There being NO OBJECTION, items 1 through 13 in the Department of Health and Social Services FY 21 supplemental budget were ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: DEPARTMENT OF NATURAL RESOURCES

[4:08:58 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Natural Resources' budget:

Item 1 Senate

There being NO OBJECTION, item 1 in the Department of Natural Resources FY 21 supplemental budget was ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: DEPARTMENT OF PUBLIC SAFETY

[4:09:25 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Public Safety's budget:

Item 1 Senate - Both items
Item 2 Open

There being NO OBJECTION, items 1 and 2 in the Department of Public Safety FY 21 supplemental budget were ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: JUDICIARY

[4:09:46 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Judiciary's budget:

Item 1 Senate - Both items

There being NO OBJECTION, item 1 in the Judiciary FY 21 supplemental budget was ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: LEGISLATURE

[4:10:14 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Legislature's budget:

Item 1-3 Senate - All items
Item 4 Senate - Both items
Item 5 House
Item 6-8 Senate - All items
Item 9-12 Senate - All items

There being NO OBJECTION, items 1 through 12 in the Legislature FY 21 supplemental budget were ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: SPECIAL APPROPRIATIONS

[4:11:19 PM](#)

Vice-Chair Stedman MOVED to ADOPT the following in Special Appropriations:

Item 1 Senate - All items

Senator Olson asked if the item pertained to the Department of Law (DOL).

Chair Foster asked Mr. Painter to comment.

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION confirmed that the item pertained to appropriations to DOL for settlements. He detailed that for budgeted purposes, the increment had been classified under special appropriations to avoid increasing the DOL budget because they were statewide items.

[4:11:57 PM](#)

Senator Olson OBJECTED. He stated that when he had looked through the DOL budget there had been appropriations for past lawsuits. He was dissatisfied that he had been told the process would continue going forward. He had wondered how much longer it would be before another appropriation

was needed. He stated that the appropriation under discussion reflected another \$410,000 for a supplemental amount. He thought they were getting engaged with lawsuits that the state would not win. He stressed that the track record had gone on for a number of years in spite of the changing of attorneys general that had the department in upheaval.

Vice-Chair Stedman asked if there was a breakdown of the \$410,000 on hand.

Mr. Painter replied that he did not have the information on hand. He would provide the information to the committee.

[4:13:12 PM](#)
AT EASE

[4:18:28 PM](#)
RECONVENED

Chair Foster explained that the item pertained to judgements, claims, and settlements, which reflected the amounts owed by the state per court judgment. He noted that the list of cases the state owed money for had been distributed to members (copy on file). He asked if Senator Olson had any questions.

Senator Olson replied that he did not have any questions, but he was concerned about the direction things were going.

Chair Foster relayed that he would be supporting the motion to adopt item 1 in regard to money the state owed. He believed Senator Olson's point was well made that getting into lawsuit situations should be avoided.

[4:19:27 PM](#)

Senator Olson remarked that the Senate number had been selected for item 1. He asked what the House number had been.

Chair Foster responded that the House had included settlements the state owed in its budget, but the number currently before the committee had come in after the House had passed its budget. The amount had been included in the Senate budget.

Senator Olson WITHDREW the OBJECTION.

There being NO further OBJECTION, item 1 within the Special Appropriations FY 21 supplemental budget was ADOPTED.

^FY 21 SUPPLEMENTAL OPERATING: FUND TRANSFERS

4:20:21 PM

Vice-Chair Stedman MOVED to ADOPT the following in Fund Transfers:

Item 1	Open
Item 2	Open
Item 3	Senate

Senator Olson asked for an explanation of the last item in which the aviation appropriation matched the marine highway system. He wondered if the aviation portion was the same amount as the marine highway system.

Chair Foster asked Mr. Painter to explain.

Mr. Painter relayed that the federal government waved the state's match for airport maintenance in FY 20 and FY 21. The amount was a portion of the FY 21 match that was not necessary. The item was a governor's amendment adopted by the Senate that would transfer the unnecessary matching funds into the marine highway system fund to offset a negative balance it would have had otherwise.

Senator Olson asked if the amount was \$5.5 million.

Mr. Painter responded in the affirmative.

Senator Olson clarified that the money went to the marine highway system as opposed to airports.

Mr. Painter replied, "Yes." It was an amendment from the governor.

Chair Foster asked Mr. Painter to restate his previous comment.

Mr. Painter restated that the money was originally from airport funding and was reappropriated to the marine highway fund.

There being NO OBJECTION, items 1 through 3 in the Fund Transfers FY 21 supplemental budget were ADOPTED.

Chair Foster indicated the committee had completed its business for the day. The next meeting date and time would be noticed on BASIS once it was determined.

HB 69 was HEARD and HELD in committee for further consideration.

HB 71 was HEARD and HELD in committee for further consideration.

Vice-Chair Stedman MOVED to ADJOURN the meeting. There being NO OBJECTION, it was so ordered.

ADJOURNMENT

[4:22:55 PM](#)

The meeting was adjourned at 4:22 p.m.